

# 2008-2009 PERFORMANCE PLAN – Sr. Investment Officer, Alternative Investments (L. Shahinian)

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## Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule	2 <sup>nd</sup> Quarter Status Update
25%	Total Fund Performance	Excess return deviation in basis points relative to: Total Fund Performance Benchmark. {SJ1CA1 – CPERST02}	-40 basis points = 0 0 basis points = 1.0 +20 basis points = 1.5	-355 bps {(23.06) – (19.51)}
55%	AIM Program Performance vs. AIM Benchmark	AIM portfolio investment performance ranking in the Venture Economics young fund universe for measured time period. Identifiers:  Performance and benchmark compiled quarterly by Wilshire.	Top 50% = 0 (min) Top 40% = .75 (mid) Top 30% = 1.5 (max)	Top 25%
5%	Absolute Return Strategies Program	Return relative to program policy. Identifiers: {SNLCA1 – Total ARS Program} {CPERHED2 – Total ARS Program blended index}	0 basis points = 0 +50 basis points = 1.0 +100 basis points = 1.5	-2,227 bps {(16.99) – 5.28}
85%	Subtotal	Qualitative Measures		

## Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule	1 <sup>st</sup> & 2 <sup>nd</sup> Quarter Status Update
15%	Leadership	Demonstrate a commitment to leadership and ongoing communication within the Investment Office and in the external investment community as follows: <ul style="list-style-type: none"> <li><b>Employee Performance and Development</b> – By 6/30/09 ensure 90% completion rate for annual performance appraisals and employee development plans.</li> <li><b>Employee Mentoring and Recognition</b> – By 6/30/09, take proactive steps to coach and mentor employees, provide succession planning, and acknowledge staff (e.g. through activities such as providing training and development opportunities, holding recognition events, and effectuating the transfer of knowledge)</li> <li><b>360 Feedback Process</b> – <ul style="list-style-type: none"> <li>By 12/1/08 begin the individual 360 feedback survey assessment process.</li> <li>By 2/1/09 identify one to two areas of personal development.</li> <li>By 6/30/09, participate in all personal coaching sessions provided and complete the development opportunity identified.</li> </ul> </li> </ul>	From schedule	Performance reviews for Senior Portfolio Manager and all Portfolio Managers complete as of 12/31/08; 64% completion rate for all AIM staff as of 12/31/08  Continued to provide opportunities for staff recognition through “ring the bell”, a standing agenda item at all staff meetings that allows team members to acknowledge other team members

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## Qualitative Performance Measures (cont.)

Weight	Factor	Performance Measure	Incentive Schedule	1 <sup>st</sup> & 2 <sup>nd</sup> Quarter Status Update
	Leadership, cont.	<ul style="list-style-type: none"> <li>• <b>Investment Office Strategic Initiatives and Cultural Alignment</b> – Ensure the successful implementation of the strategy and cultural alignment efforts by completing the following: <ul style="list-style-type: none"> <li>• By 9/30/08, identify from our cultural profile an area in which we need to improve our culture and implement an improvement in my area by 3/30/09.</li> <li>• By 12/31/08, participate in a cultural reinforcement session with the Investment Office.</li> <li>• By 6/30/09, participate in the implementation of at least one Investment Office strategic initiative.</li> <li>• By 6/30/09, contribute to healthy dynamics and cultural alignment in the Investment Office (e.g. by demonstrating productive participation in meetings, communicating across asset classes, and clearly setting and communicating priorities)</li> </ul> </li> <li>• <b>External Investment Community</b> – By 6/30/09, represent CalPERS in the external investment community through a meaningful and substantive engagement as follows: <ul style="list-style-type: none"> <li>• Serve on at least one external board or committee; or</li> <li>• Conduct at least one presentation at conference or similar event; or</li> <li>• Write an article.</li> </ul> </li> <li>• <b>Diversity</b> – By June 30, 2009, actively promote and achieve diversity among our investment partners and staff by doing at least two of the following Participate in at least one event designed to recruit staff to CalPERS <ul style="list-style-type: none"> <li>• <u>Participate in at least one outreach, education, or networking event that supports diversity in the public pension fund partner/manager community</u></li> <li>• <u>Identify and gain approval for a diversity related initiative or project in the Investment Office or in the CalPERS enterprise(e.g., identify and implement a new emerging manager program, suggest and obtain approval for an outreach or educational event, identify and eliminate a requirement in an existing program that may serve as an artificial hurdle for new and emerging firms, or identify and implement an expansion or enhancement to an existing diversity program or effort)</u></li> </ul> </li> </ul>		<p>Continued 360 feedback process, worked on two areas of professional development, completed several coaching sessions, and continued process of implementing objectives</p> <p>Oversaw the initiation and roll-out of a monthly AIM newsletter to acknowledge team members and increase communication</p> <p>Actively participated in senior INVO strategic planning sessions</p> <p>Represented CalPERS and promoted diversity at the Asian American Association of Investment Managers conference, participated on 2 panels.</p> <p>Represented CalPERS as a speaker at a private equity conference sponsored by ASTIA, a women-led investment and entrepreneur group. Promoted CalPERS values on diversity.</p>
15%	Subtotal	Qualitative Measures		
100%	Total	Quantitative and Qualitative Measures		